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Fresh Deciduous Fruit

Annual Report - Russia Fruit Imports Soar 2005

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Report Highlights:

As Russian consumers' preferences change towards a healthier lifestyle, as GDP quickly rises, and without a significant increase in domestic production, fruit imports will continue to grow. According to GTI's World Trade Atlas, in 2002, Russia imported 2.4 million tons, in 2003 3.2 million tons, in 2004 3.74 million tons of fruit, growing more than 15 percent each year. Fruit trade value in 2004 reached a record \$1.6 billion, 40 percent more than in 2003. Russia is the world's largest importer of fresh fruit among the emerging markets, and is ranked sixth globally in fruit imports behind only the wealthiest nations, the United States, United Kingdom, Germany, Japan, and Canada. Lack of marketing and brand awareness in the fruit industry will benefit exporters to Russia who are willing to start advertisement activities in Russian stores and grocery markets. While U.S. exports to Russia of fresh fruit are quite small, at current growth rates, with aggressive marketing, it may become a top-ten market in 2006. U.S. fresh fruit companies and trade associations are exhibiting at World Food Moscow in September 2005. www.eng.usda.ru

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Executive Summary

Due to increasing incomes, changes in consumer preferences towards a healthier lifestyle, better fruit availability and variety, there is a trend of increasing volume of fruit consumption in Russia. The volumes of imports are rising; in 2002, Russia imported 2.4 million tons, in 2003 3.2 million tons, in 2004 3.74 million tons of fruits. Fruit trade value in 2004 reached a record \$1.6 billion dollars, 40 percent more than in 2003. While U.S. exports to Russia of fresh fruit are quite small, at current growth rates, with aggressive marketing, it may become a top-ten market in 2006. U.S. fresh fruit companies and trade associations are exhibiting at World Food Moscow in September 2005. www.eng.usda.ru

Fresh Fruit Consumption

According to research from the Fruit and Vegetable Alliance, Russians' favorite fruits are the following:

- Apples (40 percent of Russians prefer an apple to other fruits);
- Bananas (31 percent) and oranges (28 percent);
- Grapes (22 percent) and pears (21 percent);
- Apricots, peaches, watermelons, mandarins, grapefruits, lemons, plums, pineapples and kiwifruits (7-18 percent);
- Pineapple, mango, avocado (less than 4 percent).

Berries are a traditional food in Russia. Strawberries, raspberries, cranberries and red bilberries are very popular. Most berries are picked in forests and small private orchards. Due to the seasonal availability of these fruits they are growing in demand for imports.

Exotic fruits are not that common in Russia. About one third of Russians report that they have tried an exotic fruit like pineapple, avocado, litchis, carambola, papaya, or rambutan. According to the World Trade Atlas, the total imports of exotic fruits (pineapples, avocados, guavas, mangos) equals just 60,000 tons (10,000 more than 2003).

Apples are the most popular fruit in Russia - 70-85 percent of Russians buy apples on regular basis. Russian consumers normally eat green or yellow apple varieties and some believe they are healthier than red ones. Most common Russian apple varieties are green. Generally a Russian consumer prefers fruits of bigger sizes (70-80 mm). Most apples consumed in Russia are grown in small private orchards. At the same time, Russian production is not diversified in variety. With the growth of consumer's incomes there is a strong growth in demand for luxury apple varieties of consistent quality and big sizes.

As surveys show, around 79 percent of Russians consider domestic fruits and vegetables safer than imports. The largest part of Russian apple production can be consumed in just 4 months after the harvest. Still there are some Russian fruits available on the market till May, but this amount is not noticeable. The most popular Russian varieties are: Slava Pobeditelyu, Prima, Antonovka, Semerenka (varieties are light green and sour, some have a red side) and Bely Naliv (very light green, sweet). Most Russian apples on the market come from the Krasnodar region.

Banana consumption is growing continually. In 2000, per capita consumption of bananas was 2.5 kg, in 2001 it grew 36 percent, in 2002 –24 percent, in 2003 – 31 percent. In 2004, it reached 6 kg. In Eastern Europe the per capita annual consumption is 8-10 kg of bananas.

In 2004, Russia imported 870,000 tons of citrus. Per capita annual consumption is approximately 5.4 kg. The growth of consumption in this sector of fruit imports was 8 percent for oranges, 17 percent for tangerines, 6 percent for grapefruit, 24 percent for lemons. These products come mainly from Turkey, Morocco, Argentina and South Africa.

Pears

Russia is one of the top pear importers in the world. Russia's pear production is generally poor quality and is available on the market for a short period of time. Last season, Russia imported 260,000 tons, a record import volume. Argentina is the leading pear exporter to Russia with 69,000 tons, followed by Belgium with 58,000 tons and China with 29,000 tons. Pear imports are growing quickly from Chile, Uzbekistan, and the USA. Chinese pears have an increasing presence in Russia and will become more popular. During the past season, Chinese pears have become an ordinary sight in Moscow and St. Petersburg supermarkets, stores and traditional markets.

Grapes

Most grapes are consumed in Russia at the end of the summer, when former Soviet Union republics such as Uzbekistan (260,000 tons imported in 2004), Kazakhstan (6,000 tons) and Tajikistan (6,000 tons) supply the Russian market with fresh grapes. Russia also grows grapes, although most are processed into wine. Approximately 40,000 tons of Russia's grape crop is consumed fresh. Approximately one-third of the crop annually is lost due to inadequate storage, cooling and transportation facilities.

Russia is a major destination for China's fresh grapes but those grapes are probably being transported across the border in the eastern and central parts of Russia and are not making their way into the Moscow/St. Petersburg markets.

Marketing

Fruits are not strongly marketed in Russia. The only marketing activities happen in a limited number of stores. Common retail marketing methods for fruits and vegetables in retail is merchandising (separate displays, power-zones, shelf trays), seasonal sales, internal radio announcements, "SALE", or "BARGAIN" signs. All these marketing tools are modest compared to other departments in a retail outlet (alcohol, snacks, confectionery, meat departments).

Retailers' leaflets that are distributed in the shop itself, delivered to customer's homes and distributed on the streets usually do have information on several items from the fruit/vegetable department, but normally they simply advertise a fruit without mentioning or including the brand name or logo. Usually, such activities are organized by the managers of the outlet to make the Fruit and Vegetable Department look more interesting.

According to research by one Russian retailer, Russian consumers tend to buy unknown products when they see an advertisement action (40 percent), a new product (24 percent), a sale (13 percent), an interesting package (10 percent), or a friend's advice (5 percent). Advertising in stores does not often happen in fruit departments, even though there are great opportunities to increase the volume of sales. One fruit department manager claims that just internal radio announcements and advertisement in the department helped increase sales of fresh table grapes by 4-5 times in a week.

So far, there is almost no brand awareness in the fruit sector. Very often fruits of one country of origin are sold under another origin sign. For instance, the sticker on the apple may say one country; the price tag would say another country. Besides, shop assistants often misinform customers about country of origin. Most probably they do so because they can't identify the country themselves. Brand awareness varies by region, according to reports, the Russian Far East is aware of quality in U.S. brands against competitors.

New Trends

In April, May, and June 2005 the GDP of the Russian Federation grew 6 percent. According to the Ministry of Economic Development and Trade, this growth was mainly caused by the growth in such areas as retail (11.3 percent growth in the first half-year 2005), travel and tourism (growth of 20.9 percent) and HRI sector (the popularity of dining out rose 14.4 percent).

More and more, people in Russia try to live a healthy lifestyle. There are more than 200 fitness clubs in Moscow, and about 160 in St. Petersburg. Their numbers grow rapidly. Many new fitness centers are located in the same building as supermarkets. Most fitness clubs promote healthy cuisine through the menus of their cafes. There are no such programs as U.S. or European "5 a-day" promotions, but it will appear in the near future.

By 2010, conditions will be created in Russia for the formation of a broad middle class, which will include people with incomes six times greater than the subsistence minimum. The percentage of such middle class people could raise to about 20 to 50 percent of the population, says a draft program for Russia's social and economic development in 2005-2008, published by the Economy Ministry. The strengthening of the middle class will help increase the effective consumer demand and stimulate growth in fruit consumption.

Russian ports

Russia has 3 major sea points where fruits enter the market: St. Petersburg, Novorossiysk and Vladivostok. Novorossiysk Port is located on the Black Sea and specializes in industrial goods trade. It also works with refrigerated vessels. The main fruits coming to Russia through the Novorossiysk Port are citrus from Turkey, Egypt and from countries of the Mediterranean.

Vladivostok is the main port that supplies the eastern part of Russia. According to Port management, the turnover of the Vladivostok Port in 2005 (January – June) was around 4 million tons of cargoes, which exceeded last year by 2.1 percent. Vladivostok port is a gateway for Asian and American fruits.

The Greater Port of St. Petersburg is the second largest commercial port in Russia after the Novorossiysk commercial port. In 2004 the turn over of the St. Petersburg Port was 51.18 million tons, which is 21.7 percent more than in 2003. Roughly 75 percent of Russian food imports comes through this port.

The Port's berths accommodate vessels of more than 75,000 thousand tons displacement and drafts up to 11 meters. For bigger vessels coming from Argentina, Chile, USA and South Africa fruits are transferred in Germany (Hamburg, Bremen, Rostok), Holland (Amsterdam, Rotterdam), and Belgium (Antwerp) ports.

The St. Petersburg Port consists of more than 30 stevedoring companies and organizations, which render services. The Greater Port of St. Petersburg belongs to the Russian government. The stevedoring companies rent its berths (there are 100 berths in the port) for 49 years. It takes 3-4 days to unload a 6,000 ton vessel.

Despite significant investments in port infrastructure undertaken in the past five years, the constraining factor for expansion of Russia's foreign trade continues to be the lagging

improvement of rail and road links, warehousing capabilities, lack of rolling stock and sea vessels.

The Greater Port has 1200 refrigerator sockets. During the summer of 2005 the Greater Port of St. Petersburg faced overstocking because of the lack of storing facilities and noticeable increase in imports of fresh fruits from Argentina (imports of apples increased 47 percent, grapes 72 percent, pears 31 percent). JSC Sea Port of St. Petersburg (the leading port operator in the Greater Port of St. Petersburg) plans to build a new fruit terminal with the capacity of 1.5 million tons.

Table 1 presents comparison of fruit imports arriving to Russia through the Greater Port of St. Petersburg and total Russian fruit imports.

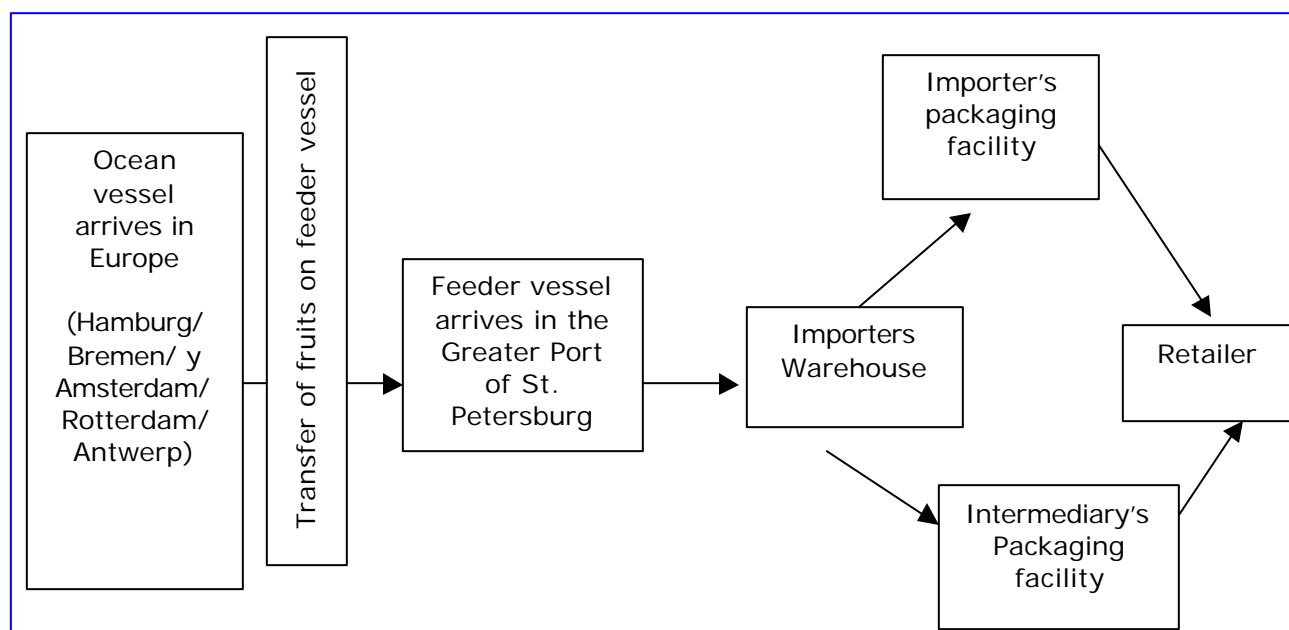
Table 1. Fruit imports. Baltic customs fruit imports versa all-Russia fruit imports.

Apples						
Country of Origin	Baltic Customs import statistics, Metric tons			All-Russia import statistics, Metric tons		
	2002	2003	2004	2002	2003	2004
Argentina	34 326	52 996	46 273	34 499	52 398	46 345
Belgium	6 323	5 187	2 671	19 766	21 961	14 361
Chile	6 781	14 983	36 912	7 347	16 823	37 577
China	380	1 372	3 549	67 597	94 767	107 514
France	21 608	13 955	11 881	45 288	39 387	27 187
Germany	4 516	1 745	3 809	5 744	3 781	5 227
Italy	9 030	6 105	3 997	26 063	26 918	16 649
South Africa	3 967	9 710	7 639	5 101	10 508	8 546
Spain	279	1 401	577	828	2 409	1 447
USA	86	446	824	3 278	1 437	2 166
Grapes						
Country of Origin	Baltic Customs import statistics, Metric tons			All-Russia import statistics, Metric tons		
	2002	2003	2004	2002	2003	2004
Argentina	1 468	3 001	5 617	1,509	3 100	5 700
Brazil	74	84	217	228	416	440
Chile	2 644	7 934	15 022	6 000	11 600	19 500
Italy	470	565	147	19 400	20 800	17 100
South Africa	1 678	2 574	4 753	4 500	7 300	9 800
Spain	237	212	3 500	1 800	3 100	3 500
USA	1.24	8.96		37	176	
Pears						
Country of Origin	Baltic Customs import statistics, Metric tons			All-Russia import statistics, Metric tons		
	2002	2003	2004	2002	2003	2004
Argentina	41 371	64 473	68 918	41 800	63 213	69 240
Belgium	4 740	4 325	10 726	24 900	31 500	58 000
Chile	6 704	2 060	7 750	7 000	2 400	8 350
China	1 988	6 041	2 659	23 200	36 500	29 300
France	2 780	2 135	2 904	12 400	10 600	14 600
Italy	350	84	187	2 700	1 250	1 200
The Netherlands	5 927	8 293	11 185	11 700	20 000	26 000
Portugal	6 817	2 575	2 276	7 700	3 500	3 600
South Africa	4 278	6 374	9 045	5 400	8 100	11 200
Spain	4 815	5 946	4 884	10 800	11 700	9 540
USA	48	339	1 049	701	1 400	2 700

Grapefruit						
Country of Origin	Baltic Customs import statistics, Metric tons			All-Russia import statistics, Metric tons		
Argentina	1 835	1 385	3 278	1 890	1 600	3 400
Israel	1 141	108	248	7 160	7 600	11 000
Morocco	37	73		38 800	108 000	
South Africa	1 618	3 239	4 566	2 320	3 960	6 690
Zimbabwe	100	160	134	100	292	144
Spain	4	76	387	500	167	713
Swaziland	55	31	48	96	53	58
Thailand	1	0	1	1	1	23
Turkey	594	27	20	20 600	18 000	23 300
USA	2	0	7	2	12 000	34 000
Uruguay	99	22	4	99	22	4

Source: the Baltic customs, World Trade Atlas

Figure 1. Distribution Channel for supermarkets. Import of transatlantic fruits (from USA, Argentina, Chile etc.) via the Greater Port of St. Petersburg.



The ports of the Baltic countries (port of Tallinn, Ventspils, Klaipeda, Riga) and Finland are the primary competitors to the St. Petersburg Port. Their competitive advantage is based on several factors, including modern port facilities and easy access for ocean-type vessels with maximum draft, the ability to process cargo quickly and with fewer headaches at customs and clearance. Considerable consignments of fruits arrive to Russia by truck from Europe (the Netherlands, Poland, Spain).

Russian fruit importers

Consumer demand in Russia is still met mainly by imports. In 2004, Russian fresh fruits import equaled 3.7 million tons (18 percent more than in 2003). The stable growth of fresh

produce sales has continued since 1998 and is forecast to be 10 percent each year afterwards. The volume of official direct fruit import from the United States may be much higher than official statistics, as much as 45-50 percent taking into consideration the fruit volumes transshipped to Russia from Europe (the Netherlands) by vessels and trucks.

The leading fruit importers that supply western Russia are located in St. Petersburg. There are around 50 companies in the market and St. Petersburg importers have a bigger turnover than Moscow and Vladivostok importers.

Please contact ATOMoscow@usda.gov for more information on how to acquire updated lists of Russia's fruit importers.

Russian importers of fruits and vegetables are not united under any association.

Russian importers exhibit and attend major fruits trade shows: Fruit Logistica, BioFach, Asiafruit congress, Alimentaria, the FMS Show, Macfrut, CPMA, FRESH, World Food, AGF Total, Middle East Congress, PMA, Anuga, Southern Hemisphere Congress. Of these, Fruit Logistica is the favored overseas stop of Russia's fruit importers. In Russia, they visit or attend the major Russian food industry trade show -- World Food, held each September in Moscow.

Being held annually since 1992, the largest international autumn food shows, World Food has a Fruit Pavilion of U.S. companies and associations organized by the ATO office.

Retail

In Russia fruits are sold through:

Retail chains

Russia today is the world's fastest growing food retail market. The retail sector has been responsible for 19 percent of all foreign direct investment flowing into the country.

The past five years have demonstrated drastic changes in the development of the retail sector in Russia. The key trends in Russian retail during this period included the introduction of new modern formats and their incredibly fast development, the regional expansion of the newly established local chains, application of modern logistics, and the great interest of foreign retailers in the Russian market.

The largest Russian retailers originated in Moscow and then gradually expanded to St. Petersburg and other Russian large cities in the regions, except for Pyat'erokha, which has its headquarters in St. Petersburg. Some regional chains, such as Lenta and O'Key are located only in St. Petersburg, but are very rapidly developing, although they are not making efforts to enter the Moscow market but are competing with Moscow-based and western chains and, like in case of Lenta, leading in their own city.

Table 2. Main Moscow food/non-food retailers

Chain	Year of market entrance	No of outlets	Turnover in 2004	Format
Metro AG	1999	14	-	Hypermarket
Auchan	2002	3	-	hypermarket
Perekrestok	1999	3	-	hypermarket
Pyaterochka	1999	Approximately 500	\$1.4 bln	economy
Perekrestok	1995	150	\$ 0.75 bln	supermarkets, discounters
Ramstore	1997	50	\$ 0.5 bln	supermarket, hypermarket
Seventh Continent	1994	78	-	supermarket
Kopeika	1998	Over 50	\$ 0.25 bln	discounter
Diksi	1999	60	\$ 0.15 bln	discounter
Paterson	1997	45	\$ 0.25 bln	supermarket

The biggest retail chains in Vladivostok are Ratimir, Lakomka, DRK and Sfera. Hypermarkets are Parus and V-Lazer.

Supermarkets, hypermarkets and convenience stores still only account for 10 percent of retail food sales in the country, and 20 percent in Moscow. The amount of fruits sold through new modern format shops is increasing.

Most retail chains in Russia understand that consumers judge the outlet by the quality of the fruit and vegetable department. The freshness of products and modern displays play a big role in consumer's attitude. Some supermarkets and hypermarkets locate fruit departments near the entrance, so that this department is the first one for consumers to enter. Retailers are very careful about the equipment (furniture, lighting systems) that is located in fruit and vegetable departments.

The shops in Russia do not pre-pack fruits and vegetables but prefer to receive this service from the suppliers. Suppliers pre-pack fruits, and put brand name labels and stickers on the package. The average number of fruit and vegetable suppliers to the retailer chain is 20-30 suppliers.

Grocery markets

The Soviet era left behind many large enclosed vendor markets which at one time were for elite shopping with fresh fruits, vegetables, meat and fish, dairy products and spices available all year round. Many have been renovated and are wonderful, and fun places to shop. The sales area of such markets is approximately 2,500 sq. m. The store consists of

numerous shopping counters with talkative merchants that customers can bargain with, and taste any product they want. Some have unique architecture and all offer well lighted facilities and beautiful food choices.

There are around 30 such markets in St. Petersburg, more than 50 in Moscow and each Russian city, no matter how small it is, has such a grocery market.

In St. Petersburg such markets are popular among various groups of people. Many well-off people prefer to purchase fruits, vegetable, meat here rather than in retail chains, as this is the place where you can choose fruits yourself, have your own merchant, get products that are great quality. Many pensioners like these markets as at the end of the day they can buy high-quality food with discount. Markets claim to sell products coming from the South of Russia, Uzbekistan, Azerbaijan, Armenia and Georgia, but it is usually wrong and the products are imported from outside the CIS.

Usually, prices and quality of these markets are higher than the ones in retail chains. You never see price tags in such places. One needs to haggle with the merchant to learn the price.

Open-markets established in 90's

Such markets appeared in Russia less than 10 years ago during the era of chaotic business. These are the markets that sell cheap. They all are open markets and work all year round. In summer fruits are sold in the open air, and in winter they move indoors. Such open markets mainly sell products with CIS origin. A noticeable percentage of Russians shop here.

Fruit vegetable kiosks (only summer time)

Such stands are very popular among citizens of St. Petersburg. They work 4-5 months from late spring till early fall. The product variety at such stands is around 20-30 items of fruits and vegetables. They are more expensive than open markets, but the location is so comfortable for consumers that this business is quite profitable.

All fruits available on the St. Petersburg market come from Sofiyskaya, Kalininskaya, Vyborgskaya and Gatchinskaya warehouses. In Moscow fruits and vegetables are stored and sold in Novie Cheremushki, Kuibishevskaya and Zamoskvoretskaya warehouses.

Customs duties and fees on fruit

Tariff rates for apples vary depending of the season to protect domestic production. Tariff rates on apples are counted as duty per kilogram. From January 1 to July 31 the rate is EURO 0.1 per kilogram. From August 1 to December 31 it is EURO 0.2 per kilogram.

For other fruits, the tariff rate is counted as a percentage of dutiable value. For pears and grapes it is 5 percent of dutiable cost. For grapefruit the custom duty is also counted as 5 percent of dutiable cost, but not less than EURO 0.02 per kilo.

For more information on tariff rates, import procedures and labeling requirements see Attache report GAIN RS5026.

Subject to an International agreement, developing countries such as Argentina get 25 percent off the custom duty.

According to the Baltic customs, customs clearing cost is:

Table 3. Cost of customs clearing. Data provided by the Baltic customs.

Customs clearing cost, EURO	Dutiable Value
14.4	Cost up to EURO 5'747
28.7	EURO 5'748 – EURO 12'931
57.4	EURO 12'931– EURO 34'482
158	EURO 34'482 – EURO 71'839
215.5	EURO 71'840 – EURO 143'678
575	EURO 143'679 – EURO 287'356
1'440	EURO 287'357 – EURO 862'069
2'900	EURO 862'069 and above

Total cost of customs payment is counted as a sum of customs duty, eighteen percent VAT, and fee for customs clearing.

Prices on fruit

According to retailers, Russian consumers are ready to buy fruits of different price and quality. There is a growing segment of consumers that is looking for luxurious fruits. Some retailers pack apples/pears etc in especially nice wraps and sell them as "Elite fruit".

Table 4 Prices on fruits, Russia.

Product	Location	Date	Origin	Unit	Price, rubles
APPLES					
Antonovka	St. Petersburg, market	02.2005	Russia	Kg	25
Adored	St. Petersburg, market	02.2005	-	Kg	35
Boykin	St. Petersburg, market	02.2005	Moldavia	Kg	35
Red Delicious	St. Petersburg, supermarket	02.2005	USA	Kg	58.4
Jonagold	St. Petersburg, supermarket	02.2005		Kg	57.7
Granny Smith	St. Petersburg, market	02.2005	Europe	Kg	48
Golden Delicious	St. Petersburg, convenience store	02.2005	Belgium	Kg	46.5
Red Chief	St. Petersburg, supermarket	02.2005	France	Kg	35.3

Fuji	St. Petersburg, supermarket	02.2005		Kg	43.8
Slave Pobeditelu	St. Petersburg, convenience store	08.2005	Russia	Kg	23
Golden Del	St. Petersburg, convenience store	08.2005	S. Africa	Kg	55.3
Adored	St. Petersburg, convenience store	08.2005	-	Kg	31
Red chief	St. Petersburg, convenience store	08.2005	-	Kg	32
Granny Smith	Open Market, St. Petersburg	08.2005	Chile	Kg	35
Fuji	Open Market, St. Petersburg	08.2005	Sunrise Red	Kg	30
Antonovka	Open Market, St. Petersburg	08.2005	Moldova	Kg	26
PEARS					
US Bosc	Vladivostok	03.2005	NW US	Kg	34.2
US Red Anjou	Vladivostok	03.2005	NW US	Kg	34.2
US Green AN	Vladivostok	03.2005	NW US	Kg	35
Conference	Vladivostok	03.2005	Belgium	Kg	57
Abbat	Vladivostok	03.2005	Belgium	Kg	50
Winter	Vladivostok	03.2005	China	Kg	16
Gua Fei Li	Vladivostok	03.2005	China	Kg	20
Williams	Moscow	03.2005	Argentina	Kg	30
Anjou	St. Petersburg, convenience store	09.2005	Argentina	Kg	38
Anjou	St. Petersburg, convenience store	09.2005	Russia	Kg	34
CITRUS					
Grapefruit	Vladivostok Supermarket	03.2005	-	Kg	\$2.8
Grapefruit	St. Petersburg Supermarket	08.2005	Citrus Change	Kg	49
Grapefruit	Open Market, St. Petersburg	08.2005	Unifrutti	Kg	50
Pomelo	St. Petersburg Supermarket	08.2005	-	Kg	103.5
Orange	St. Petersburg, convenience	08.2005	-	Kg	27.6

	store				
Orange	Open Market, St. Petersburg	08.2005	South Africa	Kg	36
Lemon	St. Petersburg, convenience store	08.2005	-	Kg	29
Lemon	Open Market, St. Petersburg	08.2005	-	Unit	8
Lime	St. Petersburg, convenience store	08.2005	Costa Rica	Kg	143
GRAPES					
Red Globe	St. Petersburg, convenience store	08.2005	-	Kg	101
Grapes (dark blue, seedless)	Open Market, St. Petersburg	08.2005	-	Kg	58
Dark blue, elongated	Open Market, St. Petersburg	08.2005	-	Kg	52
Muskat	Open Market, St. Petersburg	08.2005	Italy	Kg	55
OTHER					
Apricot	St. Petersburg, convenience store	08.2005	-	Kg	68
Apricot	Open Market, St. Petersburg	08.2005	-	Kg	70
Plum	Open Market, St. Petersburg	08.2005	-	Kg	35
Peach	St. Petersburg, convenience store	08.2005	-	Kg	71
Peach	Open Market, St. Petersburg	08.2005	-	Kg	70
Peach	Open Market, St. Petersburg	08.2005	-	Kg	55
Nectarine	St. Petersburg, convenience store	08.2005	-	Kg	63
Mango	St. Petersburg, convenience store	08.2005	-	Kg	43.7
Avocado	St. Petersburg, convenience store	08.2005	-	Kg	50
Pineapple	St. Petersburg, convenience store	08.2005	-	Unit	123
Banana	Open Market, St. Petersburg	08.2005	-	Kg	20

Exchange rate USD 1= 28.3 rubles

Production

The apple and pear crop is forecast up due to investment made in the fruit industry during the past years. The main areas for investment are around the cities of Krasnodar, Lipetsk, Volgograd and Voronezh. Investments have been made in storage facilities and some old trees have been substituted with new ones. New trees planted 3-4 years ago are starting to bring on the market new varieties of apples and pears that can be stored for longer periods of time. Still the process of growing, picking, storing and delivering fruits to the consumer needs serious modernization. Local producers will not be able to keep up with the increase of demand for fruits in Russia. Still, most Russian apples and pears are available on the market for a few months after the harvest. Most Russian apples and pears are small sized fruits inconsistent in quality. The production of apples and pears grew 20 percent in 2004 over the 2003.

Table 5. Apples – Area Planted, Harvested, Production and Yield, Main Producing Regions, MY 2004

	Planted	Harvested	Production	Yield
	1000 ha	1000 ha	1000 tons	T/ha
Russia	416.9	353.1	1796.4	5.1
Central Federal District	181.1	158.2	663.9	4.2
- Bryansk	14.7	14.4	12.9	0.9
- Voronezh	27.1	23.7	90.2	3.8
- Kursk	14.3	13.1	61.4	4.7
- Lipetsk	16.4	13.3	55.8	4.2
- Moscow	10.3	10.3	54.4	5.3
- Orel	14.6	11.8	45.3	3.8
- Tambov	12.4	11.2	68.5	6.1
- Tula	23.0	19.0	104.0	5.5
Southern Federal District	99.0	80.1	454.6	5.7
- Krasnodar	27.0	19.7	138.3	7.0
- Volgograd	13.2	11.9	125.0	10.5
- Rostov	16.6	13.8	37.2	2.7
Volga Valley Federal District	88.3	71.4	515.3	7.2
- Tatarstan	9.7	5.9	38.3	6.5
- Samara	14.7	12.3	126.9	10.4
- Saratov	12.7	11.6	135.9	11.7
Ural Federal District	11.5	9.2	80.0	8.7
Siberian Federal District	16.9	13.1	61.4	4.7
Far East Federal District	2.7	2.0	9.8	4.9

Table 6. Pears – Area Planted, Harvested, Production and Yield, Main Producing Regions, MY 2004

	Planted	Harvested	Production	Yield
	1000 ha	1000 ha	1000 tons	T/ha
Russia	65.3	51.2	335.9	6.6
	19.8	17.0	93.4	5.5
Central Federal District	0.8	0.8	0.8	1.0
- Bryansk	4.8	4.2	16.2	3.9
- Voronezh	2.5	2.3	10.8	4.7
- Kursk	2.8	2.3	10.0	4.3
- Lipetsk	0.6	0.6	2.9	5.1
- Moscow	0.8	0.6	2.3	3.6
- Orel	0.0	11.2	0.0	0.0
- Tambov	1.2	0.9	5.3	5.6
- Tula	24.2	19.4	111.4	5.7
Southern Federal District	6.7	5.0	36.5	7.4
- Krasnodar	2.3	2.1	22.1	10.4
- Volgograd	4.2	3.5	10.1	2.9
- Rostov	11.4	9.0	83.8	9.3
Volga Valley Federal District	1.7	1.1	6.6	6.1
- Tatarstan	2.6	2.2	22.4	10.0
- Samara	2.3	2.1	16.6	7.8
- Saratov	0.6	0.5	8.2	17.4
Ural Federal District	0.0	0.3	0.7	2.6
Siberian Federal District	0.2	0.1	0.5	6.1
Far East Federal District	65.3	51.2	335.9	6.6

Table 7. PSD, Apples

PSD Table						
Country	Russian Federation					
Commodity	Apples, Fresh			(HA)(1000 TREES)(MT)		
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		07/2003		07/2004		07/2005
Area Planted	422200	422200	420000	416000	0	413000
Area Harvested	357900	357900	35700	353100	0	349000
Bearing Trees	135000	135000	134900	133000	0	132000
Non-Bearing Trees	26000	26000	26000	26000	0	26000
Total Trees	161000	161000	160900	159000	0	158000
Commercial Production	1143800	1143800	1100000	1386400	0	1276000
Non-Comm. Production	345000	345000	400000	410000	0	384000
TOTAL Production	1488800	1488800	1500000	1796400	0	1860000
TOTAL Imports	689000	714236	680000	870234	0	1180 000
TOTAL SUPPLY	2177800	2177800	2180000	2666634	0	2840000
Domestic Fresh Consump	925000	925000	920000	1256634	0	1365000
Exports, Fresh Only	1885	1885	1000	1000	0	900
For Processing	1236800	1236800	1245000	1395000	0	1450000
Withdrawal From Market	14115	14115	14000	14000	0	24100
TOTAL UTILIZATION	2177800	2177800	2180000	2666634	0	2840000

Table 8. PSD, Pears

PSD Table						
Country	Russian Federation					
Commodity	Pears, Fresh			(HA)(1000 TREES)(MT)		
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		07/2003		07/2004		07/2005
Area Planted	69100	69100	68500	65300	0	65000
Area Harvested	54300	54300	53800	51200	0	51000
Bearing Trees	17300	17300	17000	16300	0	16000
Non-Bearing Trees	10100	10100	10100	9700	0	9500
Total Trees	27400	27400	27100	26000	0	25500
Commercial Production	113000	113000	95000	136000	0	130000
Non-Comm. Production	165400	165400	140000	200000	0	190000
TOTAL Production	278400	278400	235000	336000	0	330000
TOTAL Imports	226000	226000	235000	297000	0	371000
TOTAL SUPPLY	504400	504400	470000	633000	0	691000
Domestic Fresh Consump	335500	335500	333000	446500	0	521000
Exports, Fresh Only	41	41	50	60	0	50
For Processing	160169	160169	130000	177000	0	160000
Withdrawal From Market	8690	8690	6950	9440	0	9950
TOTAL UTILIZATION	504400	504400	470000	633000	0	691000

Table 9. Prices of Imported Apples

Prices Table			
Country	Russian Federation		
Commodity	Apples, Fresh		
Prices in	US Dollar	Per	Metric Ton
Year	2003	2004	% Change
Jan	302	310	3%
Feb	302	304	1%
Mar	299	304	2%
Apr	310	334	8%
May	328	362	10%
Jun	339	373	10%
Jul	361	391	8%
Aug	387	350	-10%
Sep	344	344	0%
Oct	324	341	5%
Nov	332	352	6%
Dec	333	371	11%

Table 10. Prices of Imported Pears

Prices Table			
Country	Russian Federation		
Commodity	Pears, Fresh		
Prices in	US Dollar	Per	Metric Ton
Year	2003	2004	% Change
Jan	334	351	5%
Feb	344	374	9%
Mar	364	383	5%
Apr	364	384	5%
May	370	401	8%
Jun	375	401	7%
Jul	371	412	11%
Aug	386	432	12%
Sep	362	422	17%
Oct	352	433	23%
Nov	357	424	19%
Dec	352	444	26%